

POWERMATIC DATA SYSTEMS LIMITED

(Company Registration No. 198900414E)

(Incorporated in Singapore)

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE : SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027

DATE : Thursday, 25 January 2024

TIME : 11.05 a.m.

PRESENT

Board of Directors:

Dr. Chen Mun	(Chairman and Chief Executive Officer)
Ms. Ang Bee Yan, Katherine	(Executive Director)
Mr. Tan Chao Hsiung, David	(Lead Independent Director)
Dr. Lye Kin Mun	(Independent Director)
Mr. Cheng Heng Tan	(Independent Director)
Professor Cham Tao Soon	(Independent Director)

Shareholders:

*As per attendance list

IN ATTENDANCE

Ms. Wong Yoen Har	(Company Secretary)
Ms. Molly Chua	(Finance Manager)

BY INVITATION

*Boardroom Corporate & Advisory Services Pte. Ltd. - Polling Agent

*CNP Business Advisory Pte. Ltd. - Scrutineers

*Other invitees - As per attendance list

CHAIRMAN OF THE MEETING

Dr. Chen Mun

**Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders, proxies and professionals who have attended the Extraordinary General Meeting would not be published in the Minutes.*

WELCOME ADDRESS

Dr. Chen Mun, the Chairman of the Meeting (the “**Chairman**”), welcomed all shareholders present at the Extraordinary General Meeting (the “**Meeting**”). He introduced the Board of Directors to all present.

QUORUM

As a quorum was present, the Chairman declared the Meeting open at 11.05 a.m.

NOTICE OF MEETING

The Notice of Meeting which had been circulated within the prescribed period was taken as read.

PROCEDURES OF MEETING

The Chairman informed that the Company had received questions from shareholders before the Meeting and the Company had addressed the questions and announced the responses via SGXNet before the Meeting on 18 January 2024.

The Chairman further informed that he had been appointed as proxy by some shareholders and he would be voting in accordance with their instructions.

Since the poll procedures would take some time to complete, the Chairman directed the poll on the motion to be taken later after all the motions had been formally proposed.

As there was no objection, the Chairman proceeded with the formalities of conducting a poll after the completion of the business of the Meeting.

ORDINARY RESOLUTION

THE PROPOSED REVELOPMENT OF EXISTING INVESTMENT PROPERTY WITH ESTIMATED CAPEX COSTS OF S\$28.0 MILLION

The Ordinary Resolution dealt with the Redevelopment of Existing Investment Property of the Company.

The Chairman proposed the motion on the resolution that was set out in the Notice of Meeting in the Circular dated 3 January 2024 to the Shareholders.

The Chairman invited questions and the following were raised and responded:

Questions	Reponses
Referring to page 11 of the Circular, may I know which buildings listed in the table are actually approved for food production under B1 (Light Industry)?	Ms Ang Bee Yan, Katherine, Executive Director of the Company (“ED”), replied that during their survey, Management did not actually zone down the buildings listed in the table into B1 and B2 and Management is quite sure that the surroundings buildings at Harper Road are mostly under B1 for light industrial use as B2 is mostly for factories for heavier processes and noisier. There is not much price difference for B1 and B2.
Now there is demand for central kitchen, , can the Company sell to buyers who wish to use the premises for central kitchen? Will there be any limit to number of units that can be sold to buyers for central kitchen?	The entire building is going to be a food factory and our building cannot be a mixed development for central kitchen or cold room for food operators.
Understand from the total CAPEX costs of S\$28.0 million, the Company has set aside approximately S\$3.5 million as contingency cost, may I know what is this contingency cost? Will this contingency cost adequate to cover the projected delays and cost overruns etc.?	ED replied that the extra 10% contingency cost that the architect has put in in the estimation is a precautionary measure to cater for any unforeseen circumstances.

Questions	Reponses
How many years will the project be spread over and what is the timeline for the proposed redevelopment to be carried out? Please provide a rough timeline, for example when are the tenants moving out, when is the call for the final design and marketing and when is the estimated Temporary Occupation Permit (“TOP”)?	ED replied that the Management has submitted the Building Plans (“BP”) and the launch on the sale of the building will be around March 2024. The Management had a meeting with the property agents to discuss the marketing plan for the re-developed property. The Company will have an official launch. Shareholders are welcome to take a look at the showroom with models and prospectus available. Demolition of the building is expected to commence in June or July 2024 Notices had been served to all the current tenants to move out from the current premises by May 2024 The estimated time for TOP will be around 2026. Professor Cham Tao Soon, Independent Director of the Company (“ID”), added that the proposed timeline may be affected by unforeseen circumstances.
The announcement mentioned that the estimated CAPEX cost was S\$25 million and contingency cost was added resulting in S\$28 million. Did the amount increase in terms of estimation?	ED informed that usually there will be an estimated 10% of the project costs added as contingency
In terms of net usable area, it seems that the Net Usable Area has increased, is this confirmed or is it still under estimation?	ED replied that it is confirmed, the architect who designs the new building is able to get a higher gross floor area of 70,000sqft from the current 60,000sqft. ED added that Strata Titles Boards will check and approve the space for sale. The architect has submitted application for the gross floor area above 70,000 sqft and is now pending for approval. The Company is fortunate to submit this application before the new rules impacted the available saleable areas take effect.
In terms of supervision from the management team, how much time consumed and how much more time will be spent on the project? As shareholders, we would like the Management to focus on the core business which is a good business.	ED informed that at the onset of the project, the Management held meetings with the architect every alternate week for one to two hours. The frequency of the meeting has since been reduced to once a month. Yvonne Ang (“YA”), the Operations Manager has been designated as manager fully in-charge to oversee the project.
Does the Management have some indications in terms of potential demands or prospective buyers from the marketing agents?	ED informed that they have a few rounds of interview with the marketing agents but have yet to firm up the appointment of the selected marketing agents. The marketing agents the Company met indicated that the fully ramp up design of the new building is a plus point which should attract more potential buyers and sell the units are higher price.

Questions	Reponses
Would there be one buyer to purchase the whole property?	ED replied that the Management also hopes that there would be one buyer to buy the whole property, but it is unlikely. However, according to the marketing agents, there are buyers that would like to purchase the entire floor.
Can we have a rough figure for the per square feet ("PSF") price? If the property can be sold at S\$105 million, how much total costs will have to be deducted and what would the net profit be?	Mr. Tan Chao Hsiung, David, Lead Independent Director of the Company ("LID"), replied that the Management will put up an announcement on SGX-Net to update the shareholders at the appropriate time as it is not appropriate for the Management to provide a profit forecast. As an indication, The recent property sale at 50 Playfair Road by Noel, is above S\$2,000 psf.
How do you intend to use the sale proceeds?	The LID replied that as indicated in the Circular, the Board intends to distribute the net profits arising from the sale of units of the Redeveloped Property (if any) to Shareholders by way of distribution including dividends
We would like to know the key numbers and the current values to allow us as shareholders to vote on the resolution. As stated in the circular, this building is worth S\$46 million in terms of current value although in the books it is stated S\$18 million so it is a bit strange as when the building was demolished, the land is only worth S\$12 million. We need to know the current prices and not the forecast on what is the psf price for the food building in the surrounding area and also what is the net saleable value of the new building?	The LID replied that the accounting policy the Company is using is the cost approach, fair value was not taken into income statements. ED added on that based on the conservative calculation and based on the architect's estimation, the sellable areas of will not be less than 70,000sqft. If the units can be sold for S\$1,500 psf, the proceeds from sale would be approximately S\$105 million After deducting the estimated development cost of S\$28 million, there will be a profit of S\$77 million.
We would like to know if the Management is busy with the project for two years, can you give us a rough idea that how confident would the Management be to contribute time and focus on the two existing business segments namely the property leasing and the wireless connectivity segments and how would the management ensure that core business can remain strong if it faces a strong headwind ?	Chairman replied that the contribution from the property leasing segment is weak and the Company's revenue is still mainly derived from the core business. As to the time spent on the new property re-development project, ED informed that the meeting frequency with the architects and engineers of the project has been reduced from bi-monthly to monthly. The architect is now handling most of the works including the preparation of the marketing brochures. ED further informed that the project manager YA would be overseeing the entire project. YA will be attending all the meetings in relation to the project. Thus, the time taken by the Management is relatively low and will not affect the day-to-day operation of the wireless connectivity business.

Questions	Reponses
We would like to know that if the current core business is still doing well?	The ED replied that the core business is doing well. However, the Company does encounter issue of customers deferring products take-up schedules due to overstocking during the Covid-19 period. Notwithstanding this, there are still new orders coming into the business. LID elaborated that the two businesses are quite independent, and the redevelopment business is well taken care of by a separate group of people. The Management is well set to pursue new opportunities and possibilities related to the core business. The Management believes that the building redevelopment will bring appreciation and value to the shareholders.
Will the CAPEX cost of S\$28.0 million be paid out in equal portion in terms of costing out or will it be front loaded or back loaded? This is year is the first year of the CAPEX cost of S\$28.0 million. How much will be paid for the next three years?	The ED informed that the payment will be progressive based on architect's certification of completion of work. The company has yet to appoint the main contractor, and thus unable to work-out any cashflow projection at this point in time due to absence of established project milestones.

RESULT OF POLL

The poll results announced by the Chairman were as follows:

	Number of Shares	Percentage (%)
For	24,452,992	99.98
Against	3,700	0.02
Total Number of Valid Shares Cast	24,456,692	100.00

Based on the results, the Chairman declared the Ordinary Resolution was duly carried. It was **RESOLVED THAT:**

- (a) the Proposed Redevelopment as described in Section 2 of the Company's circular to Shareholders dated 3 January 2024 be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting of the Company closed at 12.05 p.m. and proceeded with the next Extraordinary General Meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

DR. CHEN MUN
CHAIRMAN OF MEETING